

332.1
M762
1909

Atkinson

LAWS OF THE
STATE OF MONTANA

Relating to

Banks and Banking
Corporations



Compiled From
the Revised Codes of 1907 and the
Session Laws of 1909 by

Banking Department
State Examiner's Office



LAWS OF THE
STATE OF MONTANA

Relating to

Banks and Banking
Corporations



Compiled From
the Revised Codes of 1907 and the
Session Laws of 1909 by

Banking Department
State Examiner's Office





Digitized by the Internet Archive
in 2016 with funding from
University of Illinois Urbana-Champaign Alternates

302.1
743762
1909

INTRODUCTION.

In compiling the laws of Montana relating to banks and banking corporations, every effort has been made to include all laws relating directly thereto; but no attempt has been made to include the general corporation laws, many of which, in the absence of specific provisions in the banking law, may apply to banking corporations.

H. H. PIGOTT,
State Bank Examiner.

27m-33 for dup used. 1109 sent 11/10/09

LAWS OF MONTANA RELATING TO BANKS AND BANKING CORPORATIONS.

ARTICLES OF INCORPORATION.

Section 3817. The instrument by which a private corporation is formed is called "Articles of Incorporation."

Section 3818. Articles of Incorporation must be prepared, setting forth:

1. The name of the corporation.
2. The purpose for which it is formed.
3. The place where its principal business is to be transacted.
4. The term for which it is to exist, not exceeding twenty years. (Under Section 3825, as amended by Chapter 106, Session Laws of 1909, a corporation may now be formed for a term of forty years.)

5. The number of its directors or trustees, which shall not be less than three nor more than thirteen, and the names and residences of those who are appointed for the first three months and until their successors are elected and qualified.

6. The amount of its capital stock and the number of shares into which it is divided, and if there be more than one class of stock, created by the articles of incorporation, a description of the different classes with the terms on which the respective classes are created.

(Subdivision 6 of Section 3818. Act approved March 7, 1905.)

7. If there is a capital stock the amount actually subscribed, and by whom.

8. If the stock is assessable it must be so stated.

Section 3819. The articles of incorporation in the following cases must also state:

1. In case of assessment life insurance corporations, the articles of incorporation shall state as provided in Sections 4147 and 4148 of this Code.

2. And in articles of incorporation of institutions of learning, shall state as provided in Section 4223 of this Code.

3. And in case of building and loan associations the corporation shall be formed as provided in Session Laws 1899. Approved March 3, 1899.

4. In case of religious, benevolent and other like incorporations, the articles of incorporation shall state as provided in Section 4226 of this Code.

5. Articles of incorporation of any railroad company shall also state the names of the counties, states, territories and countries where the

termini of said road are to be located, and those through which said road shall pass, and the general route of said road, also the amount of capital stock necessary to construct the same.

6. In the case of the formation of corporations for the construction of ditches and flumes, the articles of incorporation must also state the stream or streams from which the water is to be taken, the point or place on said stream at or near which the water is to be taken out, the line of the ditch or flume, and the use to which the water is to be applied.

7. In case of tunnel corporations, the articles of incorporation shall also state the place where said tunnel is to be run, the termini, its course, and the minerals or ore designed to be excavated.

8. In the case of telegraph or telephone companies, the articles of incorporation shall also state the termini of such line or lines, and the counties through which they shall pass.

Section 3820. The articles of incorporation must be subscribed by three or more persons, and acknowledged by each before some officer authorized to take and certify acknowledgements of conveyances of real property.

FEES OF SECRETARY OF STATE.

Section 165. The Secretary of State, for services performed in his office, must charge and collect the following fees:

I. For each copy of any law, resolution or record, or other document or paper on file in his office, twenty cents per folio.

II. For affixing certificate and seal, one dollar.

III. For issuing each certificate of incorporation and each certificate of increase of capital stock, three dollars.

IV. For recording and filing each certificate of incorporation and each certificate of increase of capital stock, the following amounts shall be charged:

Amounts up to \$100,000.00, fifty cents per thousand dollars.

Additional from \$100,000.00 to \$250,000.00, forty cents per thousand dollars.

Additional from \$250,000.00 to \$500,000.00, thirty cents per thousand dollars.

Additional from \$500,000.00 to \$1,000,000.00, twenty cents per thousand dollars.

Additional over \$1,000,000.00, ten cents per thousand dollars.

Providing, that no fee for filing any articles of incorporation or increase of capital stock shall be less than \$20.00, except religious societies, churches, and organization for religious purposes, not having a capital stock, and not being organized for the purpose of profit.

V. For issuing each certificate of decrease of capital stock, three dollars.

VI. For recording and filing each certificate of decrease of capital stock, five dollars.

VII. For issuing each certificate of continuance of corporate existence, three dollars.

VIII. For recording and filing each certificate of continuance of corporate existence, the following amounts shall be charged:

Amounts up to \$100,000.00, twenty-five cents per thousand dollars.

Additional from \$100,000.00 to \$250,000.00, twenty cents per thousand dollars.

Additional from \$250,000.00 to \$500,000.00, fifteen cents per thousand dollars.

Additional from \$500,000.00 to \$1,000,000.00, ten cents per thousand dollars.

Additional over \$1,000,000.00, five cents per thousand dollars.

IX. For recording and filing each notice of removal of place of business, each certificate of change of name, or each certificate making capital stock assessable, three dollars.

X. For filing each certified copy of charter or articles of incorporation of any foreign corporation, the same fee shall be charged as is provided for in Article IV of this Section, for domestic corporations.

XI. For filing each notice of appointment of agent, five dollars.

XII. For filing each annual or semi-annual statement of any foreign corporation, five dollars.

XIII. For receiving and recording each official bond, two dollars.

XIV. For each commission or other document, signed by the Governor, and attested by the Secretary of State (Pardon and Military Commissions excepted), five dollars.

XV. For searching the records and archives of the State, one dollar.

XVI. For filing each trade mark, three dollars; and for issuing each certificate of record, one dollar.

XVII. For recording miscellaneous papers, records, or other documents, for filing, one dollar; for recording, twenty cents per folio.

XVIII. For filing any other paper not otherwise herein provided for, one dollar for filing and twenty cents per folio for recording.

"That no member of the Legislative Assembly, or State or county officer, can be charged for any search relative to matters appertaining to the duties of his office; nor must he be charged any fee for a certified copy of any law or resolution passed by the Legislative Assembly relative to his official duties. Fees must be collected in advance, and when collected by the Secretary of State, must be paid to the State Treasurer at the end of each quarter, as provided in the Constitution."

BANKS OF DISCOUNT AND DEPOSIT.

- Section 3909. Incorporation of bank of discount and deposit.
- 3910. Bank not to purchase its own stock; exception.
 - 3911. Powers.
 - 3912. Directors.
 - 3913. Purchase of real estate.
 - 3914. Conveyance of real estate.
 - 3915. Liability of stockholders.
 - 3916. Dividends.
 - 3917. Book containing names of stockholders.
 - 3918. Increase of capital stock.
 - 3919. Forfeiture of franchise.
 - 3920. Limit of liability.
 - 3921. Relating to reserve.
 - 3922. Taxation.

Section 3909. Any number of persons, not less than three nor more than thirteen, may associate together to establish a bank of discount and deposit, and become incorporated upon the terms and conditions, and subject to the liabilities prescribed in this Title, but the aggregate of the amount of the capital stock of any such corporation shall not be less than twenty thousand dollars. No bank organized under the provisions of this Title shall transact any business until its capital stock has been paid into the treasury of such bank in cash, and until a certificate to that effect under oath of the president and cashier is filed in the office of the State Auditor (now State Examiner), and in the office of the county clerk in the county where such bank is located, nor must any such bank transact any business except as is incidental and necessarily preliminary to its organization until it has been authorized by the State Auditor (now State Examiner) to commence the business of banking, which authorization shall be certificate under his hand and official seal that such bank has complied with the provisions of this Title, and is authorized to commence the business of banking. The bank shall cause the certificate and authorization of the State Auditor (now State Examiner), to be published in some newspaper published in the town or county where the corporation is located, for at least four insertions immediately after the issuing thereof.

Section 3910. The name of such bank to be used in all its dealings, must not be that of any other incorporated bank in the State. No private bank must use any corporate name, and no bank must be the holder or purchaser of any portion of its own stock or of the capital stock of any other incorporated company unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, on security, which at the time was deemed adequate to insure the payment of such debt, independent of any lien upon such stock, and stock so purchased must in no case be held by the bank so purchasing for a longer period of time than six months, if the same can be sold for what the stock cost or at par.

Section 3911. Such bank when so organized has power to carry

on the business of banking by discounting on banking principles upon such securities as the directors or trustees deem expedient, by receiving deposits; by buying or selling the bonds or stocks of this State or any other state or territory of the United States; also the bonds of any county, city, town or school district in this State legally authorized to issue such bonds; gold and silver bullion; foreign coins and bills of exchange; by loaning money on real and personal security, and by exercising such incidental powers as may be necessary to carry on such corporation or business.

Section 3912. The stockholders must elect from their number not to exceed thirteen directors, who may choose from their number a president and vice president, and appoint a cashier, teller, and such other officers and agents as their business may require, and remove such officers at their pleasure, and appoint others. The first directors hold their office until the first Monday in January next after their election or appointment, and until their successors are elected and qualified, and all subsequent elections must be held on the first Monday in January of each year. The directors are authorized to adopt such by-laws not in conflict with this part as may be necessary. The directors must be citizens of the United States, and at least three-fourths of them must be residents of the State. Every director must own in his own right at least ten shares of the capital stock of the bank, and any director who ceases to be the owner of at least ten shares, or who becomes in any other manner disqualified, thereupon ceases to be a director, and his place must be filled until the next election by the directors. Each director, when appointed or elected, must take an oath that he will, so far as the duties devolve upon him, diligently and honestly administer the affairs of such bank, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this Title.

Section 3913. It is lawful for any such corporation to purchase, hold, or convey real estate, as follows:

1. Such as is necessary for the proper transaction of business.
2. Such as is mortgaged to it in good faith by way of security for loans previously made by or moneys due to the corporation.
3. Such as is conveyed to it in satisfaction of debts previously contracted in the course of its business.
4. Such as it purchases at sales under judgments, decrees, or mortgages held by the corporation.

Section 3914. Every conveyance of real estate by such corporation must be authorized by the board of directors, and must be made by an instrument under the hand of the president, or vice president and cashier of said bank, with the seal of the corporation affixed thereto, and duly acknowledged by them.

Section 3915. The officers and stockholders of every banking corporation formed under the provisions of this Title are individually liable for all debts contracted during the term of their being officers or stockholders of such corporation equally and rateably to the extent of their respective shares of stock in any such corporation, except that when any

stockholder shall sell and transfer his stock such liability shall cease at the expiration of six months from and after the date of such sale and transfer.

Section 3916. No banking corporation shall declare any dividend except from the net earnings after deducting all losses. (See Chapter 112, page 37.)

Section 3917. Every corporation doing a banking business in this State must keep in its office, in a place accessible to the stockholders, depositors, and creditors thereof, and for their use, a book, containing a list of all stockholders in such corporation, and the number of shares of stock held by each; and every such corporation must keep posted in its office, in a conspicuous place, accessible to the public generally, a notice, signed by the president or secretary, showing:

1. The names of the directors of such corporation.

2. The number and value of shares of stock held by each director.

The entries on such book, and such notice, shall be made and posted within twenty-four hours after any transfer of stock, and shall be conclusive evidence against each director and stockholder of the number of shares of stock held by each.

The provisions of this Section shall apply to all banking corporations formed or existing before twelve o'clock, noon, of the day on which this Code takes effect, as well as to those formed after such time.

Section 3918. It is lawful for any corporation organized under the provisions of this Title, by their by-laws, to provide for an increase of their capital stock, but no such increase shall be valid until the whole amount of such increase is paid in cash, and such payment certified under oath by the president or cashier to the State Auditor (now State Examiner), who shall give his certificate specifying the amount of such increase, with his approval thereof, and that it has been duly paid in as a part of the capital of such bank.

Section 3919. Every bank organized under the provisions of this Title which refuses or neglects to comply with the requirements lawfully made upon it for the period of sixty days after demand, shall be deemed to have forfeited its franchise; and any failure on the part of such bank to comply with, or any violation of the provisions of this Title, shall work a forfeiture of its franchise; and in either case the Attorney General, or the County Attorney of the county in which the bank is located, upon demand of the State Auditor (now State Examiner), shall commence an action for the purpose of annulling the existence of said corporation.

Section 3920. The total liability to any bank incorporated under the provisions of this Title of any person or any company, corporation or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed sixteen per cent of the aggregate amount of the capital stock of such corporation actually paid in and of the permanent surplus fund of such bank; but the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or

business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

Section 3921. Each bank organized under the provisions of this Title must at all times have on hand in available funds, an amount equal at least to twenty per centum of all its immediate liabilities; one-half of this amount of available funds must consist of balances due the bank from solvent banks, one-half of such sum shall be held in reserve as cash in hand. Immediate liabilities shall include all deposits due individuals, firms or corporations or to banks, and all items in the nature of claims payable on demand. In cash on hand shall be counted, specie, legal tender notes, and all bills of solvent banks. Whenever available funds of any bank shall be below twenty per centum of its immediate liabilities, such corporation shall not decrease its fund by making any new loans, discounts otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividends of its profits until the required ratio between its immediate liabilities and its available funds has been restored. Whenever the available funds on hand of any bank shall not equal the amount above provided the State Examiner must notify such bank to make good such reserve, and if such bank shall fail to do so within thirty days after such notice, it shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars.

(See Section 4010.)

Section 3922. Banks incorporated under the provisions of this Title shall be taxed as national banks are, the stock to pay its share of the revenue, whether held in the State or not.

TRUST DEPOSIT AND SECURITY, AND SAVINGS BANK CORPORATIONS.

TRUST DEPOSIT AND SECURITY CORPORATIONS.

Section 3923. Number of corporators.

3924. Capital stock. Shall begin business, when.

3925. First meeting.

3926. Directors.

3927. Powers.

3928. What property may be held.

3929. May call in remainder of stock.

3930. Investment of capital.

3931. Money or property payable or returnable on demand, unless time specified.

3932. Insurance on mortgaged property.

3933. Transfer of stock.

3934. Liability of stockholders.

3935. Incorporation of trust and deposit companies.

3936. Articles of agreement.

3937. Purposes of incorporation.

- 3938. Directors.
- 3939. Dividends.
- 3940. Records and reports.
- 3941. Stock of trustees, etc.
- 3942. Existing corporations may reincorporate under this Act.
- 3943. Procedure on reincorporation.
- 3944. Taxation of corporate property.

Section 3923. Any number of persons not less than three may associate together to form a corporation for the purpose of carrying on a trust deposit, security and loaning business, and with powers herein conferred.

Section 3924. The amount of capital stock of any such corporation shall be fixed and limited by the incorporators in their articles of incorporation, and shall not be less than one hundred thousand dollars nor more than five hundred thousand dollars, and shall be divided into shares of the par value of one hundred dollars each. When one hundred thousand dollars of stock shall have been subscribed for and the amount paid in cash, such corporation may proceed to business under this Chapter. The capital stock of any corporation organized under this Chapter may be increased by a vote of the stockholders at any meeting called for that purpose to any sum not exceeding five hundred thousand dollars. Any corporation organized under the provisions of this Chapter may qualify and proceed to business within ninety days after filing articles of incorporation, and if it fails to do so, its articles of incorporation shall be null and void.

Section 3925. When any corporation is formed under this Chapter any two of those associated may call the first meeting of the corporation at such time and place as they may appoint, by giving notice thereof by publishing the same in some newspaper published at the place where the principal office for the transaction of business is to be located at least five days before the time appointed for such meeting; but no notice is necessary if all the subscribers to the capital stock unite in a call for such meeting in writing.

Section 3926. The affairs of such corporation must be managed by not less than three directors, to be elected by the stockholders, and to hold their offices for the term of one year, and until their successors shall be duly chosen; said directors must choose one of their number president, and a majority of them convened according to the by-laws constitutes a quorum for the transaction of business; said directors have power to fill any vacancy which may happen in their board for the current year, and they may elect or appoint such other officer as they may deem expedient.

Section 3927. Any corporation organized under this Chapter has power, in and by its corporate name, to receive money from any person or persons, corporation or company, on deposit, at such rate of interest and for such time as may be agreed upon, for the purpose of loaning and investing the same, and to accept and execute any trust which may be created by instruments in writing, appointing such corporation trustee for any lawful purpose, and to act as such trustee in all matters

embraced in such trust; to take and receive from any individual or corporation on deposit for safe keeping and storage, gold and silver plate, jewelry, money, stocks, securities and other personal property, and may have power to collect coupons, interest and dividends on said above described securities, and to rent out the use of safes and other receptacles on their premises upon such terms and for such compensation as may be agreed upon.

Section 3928. It is lawful for any such corporation to lease, purchase, hold and convey all such real or personal property as may be necessary to carry on its authorized business, as well as such real or personal property as it may deem necessary to acquire in the enforcement or settlement of any claims or demands arising out of its business transactions; execute and issue in the transaction of its business all necessary receipts, certificates and contracts, which shall be signed by such person or persons as may be designated by the by-laws of such corporation.

Section 3929. The directors of any such corporation may call in the remainder of the capital stock not paid in when the corporation is formed in such installments and at such times and places as they may deem proper, by giving notice thereof as the by-laws prescribe; and in case any stockholder neglects or refuses payment of any such installment for the space of sixty days after the same becomes due and payable, and after he has been notified thereof, the stock of such delinquent stockholder may be sold by the directors at public auction, at the office of the secretary of the corporation, giving at least thirty days' notice by publication in some newspaper published at the place where the principal office for the transaction of business of such corporation is located.

Section 3930. The board of directors of any such corporation are hereby authorized to invest the capital of said corporation, and keep the same invested, in good securities; and it is lawful for said corporation to make such investments of its capital, and the funds accumulated by its business, including money deposits, or any part thereof, in notes or bonds and mortgages on unincumbered real estate, within the State of Montana, and also on any and all stocks or bonds of this State, or any other State or Territory of the United States, or the bonds of any county, city, town, or school district, of this State legally authorized to issue such bonds.

Section 3931. All money or property deposited with such corporation is payable or returnable to the depositor on demand, unless a particular time has been agreed upon for its payment or return, in which case the terms of the agreement regulate the payment or return.

Section 3932. Whenever buildings are included in the valuation of any real estate upon which a loan is made by any such corporation, they must be insured by the mortgagor in such company or companies as the directors shall direct, and the policy of insurance shall be duly assigned or the loss made payable, as its interest may appear, to such corporation; and it is lawful for such corporation to renew such policy of insurance in the same, or in any other company or companies, as

they may elect, from year to year, or for a longer or shorter term, in case the mortgagor neglects to do so, and may charge the amount paid to the mortgagor; and all the necessary charges and expenses paid by such corporation for such renewal or renewals must be paid by such mortgagor to such corporation, and it is a lien upon the property so mortgaged, recoverable with interest from the time of payment as part of the moneys secured to be paid by such mortgage.

Section 3933. The shares of the stock (of the corporation) established under this Chapter are personal property, and transferable on the books of the corporation in such manner as their by-laws prescribe.

Section 3934. The stockholders of every corporation formed under this Chapter are individually liable for all debts contracted during the time of their being stockholders of such corporation, equally and ratably to the extent of their respective shares of stock in any such corporation held by them at the time such debts were contracted.

Section 3935. Any three or more persons who shall have associated themselves by articles of agreement, in writing as provided by law, for one or more of the purposes included under Section 3937 of this Article, may be incorporated under any name or title designating such business.

Section 3936. The articles of agreement shall set out:

1. The corporate name of the proposed corporation which shall not be the name of any other corporation heretofore incorporated in this State for similar purposes, or an imitation of such name.

2. The name of the city or town and county in which the principal office of the corporation is to be located.

3. The amount of the capital stock of the corporation authorized by the articles of agreement, the number of shares into which it is divided, the amount of capital stock actually subscribed in good faith at the time of the filing of such article; and said articles shall further state that one-half of the capital stock so subscribed has been actually paid up in lawful money of the United States, and is in the custody of the persons named as the first board of directors or managers; Provided, however, that no company organized under this Act shall begin to do business until one hundred thousand dollars in cash has been actually paid in as aforesaid.

4. The names and places of residence of the several shareholders, and the number of shares subscribed by each.

5. The number of the board of directors or managers, and the names of those agreed upon for the first year.

6. The number of years the corporation is to continue, which in no case shall exceed fifty years.

7. The purposes for which the association or company is formed.

The articles of agreement shall be signed and acknowledged by the parties thereto, and shall be filed in the office of the Secretary of State, and a duplicate thereof recorded in the office of the recorder of deeds of the county in which the corporation has its principal place of business.

The Secretary of State shall thereupon give a certificate setting

forth that such corporation has been duly organized, and the amount of its authorized and subscribed capital; and such certificate shall be taken by all courts of this State as evidence of the corporate existence of such corporation. The persons so acknowledging such articles of association and their associates and successors shall, for the period not to exceed fifty years next succeeding the issuing of such certificates by the Secretary of State be a body corporate; and by such name they and their successors shall be entitled to have, possess and enjoy all the rights and privileges conferred by law upon corporations, subject to the provisions of this Article.

Section 3936. Act approved March 8, 1893.

Section 3937. Corporations may be created under this Article for any one or more of the following purposes:

First: To receive moneys in trust and to accumulate the same at such rates of interest as may be obtained or agreed upon, or to allow such interest thereon as may be agreed upon.

Second: To accept and execute all such trusts, and perform such duties of every description, as may be committed to them by any person or persons whatsoever, or by any corporations, or may be committed or transferred to them by order of any of the courts of record of this State or any other State, or of the United States.

Third: To take and accept by grant, assignment, transfer, devise or bequest, and hold any real or personal estate or trust created in accordance with the laws of this State, or any other State, or of the United States, and execute such legal trusts in regard to the same, on such terms as may be declared, established or agreed upon in regard thereto, or to execute or guarantee any bond or bonds required by law, to be given in any proceeding in law or equity, or equity in any of the courts of this State or any other State, or of the United States.

Fourth: To act as agent for the investment of money for other persons or corporations, and as agents for persons and corporations, for the purpose of issuing, registering, transferring or countersigning the certificates of stock, bonds or other evidence of debt of any corporation, association, municipality, state or public authority as may be agreed upon.

Fifth: To accept from and execute trusts for married women in respect to their separate property, whether real or personal, and act as agents for them in the management of such property, and generally to have and exercise such powers as are usually had and exercised by trust companies.

Sixth: To act as trustee, assignee, or receiver in all cases where it shall be lawful for any court of record, officer, corporation or person to appoint a trustee, assignee or receiver, and to be appointed, commissioned, and act as administrator of any estate, executor of any last will and testament of any deceased person and as guardian of the person and estate of any minor or minors or of the estate of any lunatic, imbecile, spendthrift, habitual drunkard, or other persons disqualified or unable to manage their estate.

Seventh: To guarantee the fidelity and diligent performance of the

duty of persons holding public or private trust and to certify and guarantee title to real estate.

Eighth: To loan money upon real estate, collateral, or personal security, and execute and issue its notes, debentures, payable at a future date; and to pledge its mortgages upon real estate and other securities as security therefor.

Ninth: To buy and sell government, state, county, municipal, and other bonds, and all kinds of negotiable, non-negotiable and commercial paper, stocks and other investment securities.

Tenth: To become endorser and surety, and to secure indorsers and sureties for a compensation upon such terms and conditions as shall be agree upon by the trustees of such corporation.

Eleventh: To accept, receive, and hold money on deposit, payable either on time or on demand, with or without interest, as may be agreed upon with the depositors, and to take and receive from any individual or corporation on deposit for safe keeping and storage, gold and silver plate, jewelry, stocks, and securities and other valuable and personal property, and to collect coupons, interest and dividends on said above described sureties, and to rent out the use of safes and other receptacles on their premises upon such terms and for such compensation as may be agreed upon.

Section 3937. Act approved March 15, 1901.

Section 3938. The amount of capital stock actually subscribed of any corporation, organized under this Article, shall not be less than one hundred thousand dollars, and the amount of the capital stock authorized by such articles shall not be more than ten millions of dollars. The property and business of the corporation shall be controlled and managed by directors, not less than three or more than twenty-five in number, who shall respectively be stockholders of such corporation, and a majority of whom shall be bona fide citizens of this State, to be elected by ballot as provided by law by the shareholders of such corporation for one year, if the number of directors of such corporation does not exceed five, at such time and place as shall be directed by the law of such corporation, of which time and place at least two weeks' notice shall be published in some newspaper at least once a week in the city or county in which the corporation is located, and if there be no newspaper published in such county, then in any newspaper published in the State, which circulates in the locality where such corporation is located. Such election shall be made by such of the shareholders as shall attend in person, or by proxy in writing. In case the election shall not be made on the day named, the said corporation shall not thereby be dissolved, but an election day may be had at any other time, agreeable to the by-laws of said corporation; and the persons so elected shall hold their office until others are elected and qualified. If the number of directors of such corporation named in the articles of association shall exceed five in number, they shall, as soon as may be after the organization, divide themselves by ballot into three classes of equal number as near as may be, designated the first, second and third class, of which the first class shall remain in office one year, the second

class two years, and the third class three years, and at each annual election conducted in the manner hereinbefore designated, directors shall be elected for the term of three years to fill the vacancies created by the retiring class. In case of death or resignation of one or more of said directors, the survivors shall fill the vacancy until the next election.

Section 3938. Act approved March 8, 1893.

Section 3939. Such a corporation shall own only such real estate as may be required for the transaction of their business, and such as they may acquire in the enforcement and collection of debts and liabilities due them. Dividends of the profits of the corporation may be declared by the trustees or directors thereof every six months, or oftener, as the directors may elect; but no such dividends shall be made and paid to stockholders while such corporation is in an insolvent condition, nor shall any dividends be declared which would render such corporation insolvent; if the directors of such corporation shall knowingly declare and pay any dividends when the corporation is insolvent, or any dividends the payment of which would render it insolvent, they shall be jointly and severally liable for all debts of the corporation then existing and for all that shall thereafter be contracted while they shall respectively continue in office. (See also Chapter 112, page 37.)

Section 3940. The trustees of the corporation shall keep correct account of their transactions, and have full statements of the condition of affairs of such corporation made out and exhibited to the stockholders as often as once in each year, at least ten days before the day of election. The books and all records of the proceedings of such corporation shall at all times during their hours of business be open for inspection and examination to all stockholders, and the Auditor (State Examiner) of this State, or to such person or persons as the Legislative Assembly of said State or the State Auditor (State Examiner) shall designate or appoint as agent for this purpose.* Every association shall make a report of its condition to the State Auditor on the first Monday of each January, April, July and October, and at such other times as said Auditor may call for it, under the oath of its president or treasurer, attested by a majority of the directors, showing in detail its liabilities and assets, and specifying its investments under heads of loans on mortgages, loans on collateral security, loans on personal security, bonds and stocks, deposits in bank and cash on hand. An officer or clerk of such association who shall wilfully make a false oath or affidavit relative to the financial condition of such association shall be deemed guilty of perjury, and upon conviction thereof, shall be punished accordingly.

(*That part of Section 3940 requiring reports to State Auditor is repealed by Section 3996.)

Section 3941. No person holding stock in the corporation as executor, administrator, guardian, or trustee, and no person holding such stock or collateral security, shall be personally subject to any liability as stockholder in such corporation; but the person pledging such stock shall be considered as holding the same and shall be liable as a stockholder accordingly. And the estate and funds in the hands of such executors,

administrators, guardians or trustees, shall be liable in like manner and to the same extent as testator or intestate, or the ward of the person interested in such trust fund would have been if he had been living and competent to act and hold the same stock in his own name. Every such executor, administrator, guardian or trustee, shall represent the shares of the stock in his hands at all meetings of the corporation, and may vote accordingly as a shareholder; and every person who shall pledge his stock as aforesaid, may nevertheless represent the same at all meetings, and may vote accordingly as a shareholder.

Section 3941. Act approved March 8, 1893.

Section 3942. The rights of any corporation heretofore organized under the Act hereby amended shall not be affected by this Act; but any such company may at any regular meeting of its stockholders, by a resolution passed by a majority thereof, avail itself of the benefits of this Act, and any such company, whether heretofore or hereafter organized for any of the purposes mentioned herein, may increase or diminish its capital stock by complying with the provisions of this law, and may also extend its business to any other purpose authorized by this Act, subject to the provisions and liabilities thereof.

Section 3942. Act approved March 8, 1893.

Section 3943. Whenever any corporation shall desire to call a meeting of its stockholders for the purpose of availing itself of the provisions and privileges of this Article, or for increasing or diminishing its capital stock, or for extending or changing its business, it shall be the duty of the directors to publish a notice signed by at least a majority of them, in a newspaper in the county at least twenty days, and to deposit a written or printed copy in the postoffice, postage prepaid, addressed to each stockholder at his usual place of residence, at least twenty days previous to the day fixed upon for holding such meeting, specifying the object of the meeting, the time and place, when and where such meeting shall be held, and the amount to which it shall be extended or changed. An affirmative vote of the persons holding two-thirds in value of all the shares of stock shall be necessary to increase or diminish the amount of its capital stock or to extend or change its business as aforesaid, or to enable the corporation to avail itself of the provisions of this Article. If at any time and place specified in the notice provided for in the preceding section, stockholders shall appear in person or by proxy in number representing not less than two-thirds of all the shares of stock of the corporation they shall organize by choosing one of the directors chairman of the meeting and a suitable person for secretary, and proceed to a vote of those present in person or by proxy; and if on canvassing the vote, it shall appear that a sufficient number of votes has been given in favor of increasing or diminishing the amount of capital stock or of extending or changing its business as aforesaid, or availing itself of the privileges and provisions of this Article, a statement of the proceedings showing a compliance with the provisions of this Article—the amount of the capital stock actually paid in, the business to which is extended or changed, the whole amount of assets and liabilities of the corporation and the amount to which the capital stock shall be increased

or diminished—shall be made out, signed and verified by the affidavit of the chairman, and be countersigned by the secretary, and such statement shall be acknowledged by the chairman and recorded as provided in Section 3936, and a certified copy of such recorded instrument shall be filed in the office of the Secretary of State, who shall thereupon issue a certificate that such corporation has complied with the law made and provided for the increase or decrease of capital stock as the case may be and the amount to which such stock is increased or decreased; and such a certificate shall be taken in all courts of the State as evidence of such increase or decrease of stock; and thereupon the capital stock of such corporation shall be increased or diminished to the amount specified in said certificate, and the business extended or changed as aforesaid, and the corporation shall be entitled to the privileges and provisions and be subject to the liabilities of this Article.

Section 3943. Act aproved March 8, 1983.

Section 3944. The property of the corporation organized under this Act shall be assessed for taxes in the same manner as the property of national banks and no other. All Acts and parts of Acts in conflict with this Act be and the same are hereby repealed.

Section 3944. Act approved March 8, 1893.

(Section 3944 unconstitutional. See Daly Bank & Trust Co. vs. Board Co. Commissioners, 33 Mont. 101.)

SAVINGS BANK CORPORATIONS.

Section 3945. Incorporation.

3946. Capital Stock.

3947. Directors and officers, election and qualification of.

3948. Majority of directors required to do business.

3949. Business.

3950. Deposits.

3951. Investment of capital stock.

3952. Officers not to borrow.

3953. Liability of officers and stockholders.

3954. Real estate, what may be held.

3955. Inspection of books, report.

3956. Contingent fund.

3957. Married women and minors, rights of.

3958. May deposit cash with other banks.

Section 3945. Any number of persons, not less than three, may associate themselves together under the provisions of this Chapter, and become incorporated as a savings bank, who shall, with their successors, constitute a body politic and corporate, under the name adopted by them in their articles of incorporation, provided no such corporation shall adopt a name previously adopted by any other corporation in this State.

Section 3946. No corporation must be organized as a savings bank under the provisions of this Chapter with a capital stock of less than one hundred thousand dollars fully paid, in cash, prior to the reception of

deposits by such bank; but such corporation may organize on a basis not exceeding five hundred thousand dollars capital stock, of which at least one hundred thousand dollars must be paid in before deposits are received, and the balance upon the call of the directors of such corporation within five years from the date of filing articles of incorporation, but not more than twenty-five per cent of such unpaid capital must be called during any one year, and all calls to be made upon thirty days' notice. Such capital must be held by the bank as a guarantee to its depositors to make good any loss or depreciation of the funds of the corporation, and must be invested as hereinafter provided for the investment of the funds of such corporation. Each stockholder must receive a certificate of the portion of the capital stock owned by him, which must be transferable on the books of the corporation, and entitles the holder to participate in the profits of the corporation after the depositors have been paid such rates of interest as may be provided by the by-laws of the corporation, to such extent and in such manner as may be prescribed in the by-laws, and, at the dissolution of said corporation, to receive the proportionate amount of the profits which remains after the payment of the depositors.

Section 3947. The stockholders must elect from their number not to exceed thirteen directors, who may choose from their number a president and vice-president and appoint a cashier and teller and such other officer and agents as their business may require, and remove such officers at their pleasure and appoint others. The first directors hold their office until the first Monday in January next after their election or appointment, and until their successors are elected and qualified and all subsequent elections must be held on the first Monday of January of each year. The directors are authorized to adopt such by-laws not in conflict with this Title as may be necessary.

The directors must be citizens of the United States, and at least three-fourths of them must be residents of the State. Every director must own in his own right at least ten shares of the capital stock of the bank, and any director who ceases to be the owner of at least ten shares, or who becomes in any other manner disqualified, shall thereupon cease to be a director, and his place must be filled until the next election by the directors.

Each director, when elected or appointed, must take an oath that he will, so far as the duties devolve upon him, diligently and honestly administer the affairs of such bank, and will not knowingly violate or willingly permit to be violated, any of the provisions of this Chapter.

Section 3948. The affirmative vote of at least a majority of the members of the board of directors is required in making any order for or authorizing any investment of any money or the sale or transfer of any stock or securities, or other real or personal property belonging to the corporation, or the appointment of any officer receiving any salary therefrom.

Section 3949. The business of such corporation is to receive on deposit such sums of money as may from time to time be offered therefor, for safe keeping or for investment, in accordance with the terms

of this chapter. Said corporation must receive on deposit all sums of money which may be offered for the purpose aforesaid, but every such corporation has the right to limit the aggregate amount which any one person or society may deposit to such sum as it may deem expedient to receive, and may refuse to receive any deposit, and at any time may return all or any part of any deposit.

Section 3950. All deposits must be received by said corporation and returned to the depositors under such regulations as the board of directors from time to time prescribe, which regulations must be posted in some conspicuous place in a room where such corporation transacts its business and printed in all pass books delivered to its depositors.

Section 3951. At least one-half of the capital paid in and one-half of the whole amount deposited, must be invested in bonds or other securities of the United States, or any of the States or Territories, or any county, city, town or school districts of this State, on which interest is regularly paid; or loaned on unincumbered real estate, worth at least double the amount to be secured. The remainder may be invested in said bonds or loaned on the aforesaid securities or on approved personal security; but no loan must be made on personal security of less than two responsible persons or collateral security to be approved by the directors, but no loan upon personal security shall be made to any one person or co-partnership, to an amount exceeding ten thousand dollars.

Section 3952. No president, vice president, director, or other officer or servant of such corporation, shall directly or indirectly borrow any of the funds of such corporation or of its deposits, or in any manner use the same in their private affairs or business, nor shall any director receive any pay, salary or emolument, until after such interest as the directors shall have been determined to allow depositors shall be provided for in accordance with the regulations of the corporation.

Section 3953. The officers and stockholders of every banking corporation formed under the provisions of this Chapter are individually liable for all debts contracted during the term of their being officers or stockholders of such corporation equally and rateably to the extent of their respective shares of stock in any such corporation, except that when any stockholder sells and transfers stock such liability ceases at the expiration of six months from and after the date of such sale and transfer.

Section 3954. The real estate which such corporation may lawfully purchase, hold and convey, is:

1. Such as may be necessary for the proper transaction of its business, not exceeding in value one hundred and fifty thousand dollars.

2. Such as is mortgaged to it in good faith for moneys loaned in pursuance of the provisions of this Chapter, or given as security for money loaned or advanced.

3. Such as is purchased at sale on judgment or decree obtained or rendered for money so loaned or advanced. And the said corporation must not purchase, hold or convey real estate in any other case or for any other purpose. And said corporation shall not buy or sell an

personal property, except such as may be necessary for the proper transaction of its business, or such as may have been pledged, mortgaged or assigned to it, to secure money loaned or advanced.

Section 3955. *The books of said corporation must at all times during its hour of business, be open for inspection and examination to the State Auditor, or such other person or persons as the Legislative Assembly or the State Auditor designates or appoints as agent for this purpose. Every corporation must make a report of its condition to the State Auditor on the first Mondays of January, April, July and October, and at such other times as said Auditor may call for it, under the oath of its president or treasurer, attested by a majority of the directors, showing in detail its liabilities and assets, and specifying its investments under heads of loans on mortgages, loans on collateral security, loans on personal security, bonds and stock, deposits in bank and cash on hand. Any officer or clerk of such corporation who wilfully makes a false oath or affidavit relative to the financial condition of such corporation, is guilty of perjury, and upon conviction thereof must be punished accordingly.

*(See Section 3996 as to change in dates and manner of reports.)

Section 3956. Each corporation organized under the provisions of this Chapter must set aside annually at least five per cent of its net profits as a contingent fund to meet extraordinary expenses or losses until such surplus amounts to twenty per cent of the capital stock of such corporation.

Section 3957. Married women and minors may, in their own right, make and draw deposits and draw dividends, and give valid receipts therefor.

Section 3958. Any corporation organized under the provisions of this Chapter has power to deposit any cash on hand in any bank, or with any loan and trust company, within the State, which the board of directors may determine to be solvent, upon such terms as may to such directors be satisfactory, but no greater sum than fifty thousand dollars shall be at any one time deposited in any one bank or corporation.

REGULATION OF BANKING CORPORATIONS.

Section 3992. Unlawful to use title unless incorporated.

3993. Loans to officers or directors of banks prohibited.

3994. Penalty for violation of act.

3995. Duty of county attorney to prosecute.

3996. Quarterly reports to state examiner.

3997. Dividends.

3998. Statement of dividend.

3999. Statements confidential.

4000. Penalties for failure to make statements.

4001. False statements.

4002. Date of first report.

4003. Dissolution of banking corporation.

- 4004. Impairment of capital. Duties of state examiner.
- 4005. Increase of capital stock.
- 4006. Reduction of capital stock.
- 4007. Transaction of business after insolvency. Penalty.
- 4008. Accepting deposits when insolvent. False entries. Penalty.
- 4009. Duties of State Examiner.
- 4010. Reserve funds.
- 4011. Maximum liabilities.
- 4012. Liabilities of stockholders.
- 4013. Taxation of banks.
- 4014. Penalties.
- 4015. This act to affect only domestic corporations.

Section 3992. It shall be unlawful for any person to use the words "trust", or "trust company", "savings", or "savings bank", in the title of any business, corporate or otherwise, unless such business be organized and incorporated under the laws of Montana, relating to "Trust Deposit and Security, and Savings Bank Corporations," or such business is to be conducted by a foreign corporation which has fully complied with the laws of Montana, and is duly qualified and authorized to conduct business in the State of Montana. Any person or persons violating the provisions of this section, either individually or as an interested party in a co-partnership or corporation, shall be guilty of a misdemeanor, and on conviction thereof shall be fined in a sum not less than three hundred nor more than one thousand dollars, or by imprisonment in the County Jail not less than sixty days nor more than one year, or by both such fine and imprisonment.

Section 3993. That on and after the passage of this Act, it shall be unlawful for any bank, banking institution or trust company, organized and doing business under the Laws of this State, to make a loan to any managing officer of such bank without taking good collateral or other ample and specific security therefor, and when such loan or a loan made to a director of such bank, banking institution or trust company, exceeds in amount ten per cent of its capital stock, it shall not be made until first approved by a majority of the directors of such bank, banking institution or trust company, which said approval shall be entered upon the records of such bank, and the signatures of a majority of the Board of Directors approving same shall be attached thereto, and be and remain a permanent record of such bank.

Section 3994. Any bank or any managing officer of any bank, violating any of the provisions of this Act, shall be liable to a fine of one thousand dollars, to be recovered in an action at law, for the use of the public school fund of the county where located, and, in addition, such managing officer may be imprisoned in the State Prison for not less than one year, nor more than ten years.

Section 3995. It is hereby made the duty of the County Attorney, in each and every county in the state, to prosecute to a final determination any violation of this Act, and of the State Bank Examiner to report same to such officer.

Section 3996. Each state bank and banking corporation, trust deposit and security corporation, savings bank corporation, or banking corporation organized under Article I, Chapter I, Title II, Part IV, of the Civil Code of Montana for the transaction of any banking business, shall make to the State Examiner not less than four reports during each year, all at his call, not less than two calendar months to intervene between each call, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier, and attested by the signature of at least two of the directors thereof, which said statement must contain a full abstract of the general accounts of the bank, and exhibit in detail under appropriate heads, the resources and liability thereof, so as to plainly show all of the resources and liabilities, and the amount and kind thereof; which said statement shall be transmitted to the State Examiner within five days after the receipt of the request or requisition therefor made by him; and in such condensed form as may be required by the State Examiner it must be published once in a newspaper of general circulation in the place where such bank is located, or if there be no newspaper of general circulation published in such place, then in one published nearest thereto within the county, and at the expense of the bank, and such proof of the publication of such statement shall be furnished as may be required by the State Examiner. The State Examiner shall also have power to call for special reports from any particular bank whenever in his judgment the same are necessary in order to have a full and complete knowledge of its condition.

Section 3997. The directors of each bank may semi-annually, on the first Monday of January and July of each year, declare a dividend of so much of the net profits of the bank as they may deem expedient. (See Chapter 112, page 37.)

Section 3998. In addition to the statement required by the preceding Section, every such bank shall report to the State Examiner within ten days after declaring any dividend, showing the amount of such dividend, and the amount of net earnings in excess of the dividend. Such statement shall be attested as provided for in the attestation of statement by the preceding section.

Section 3999. The information and showings made by the reports herein contemplated, other than such reports as are required to be published, shall be deemed for the confidential information of the State Bank Examiner's office only, and such information shall not be imparted to any persons who are not officially associated in and with the office of the State Bank Examiner, and such information shall be used by the State Bank Examiner only in the furtherance of his official duties.

Section 4000. If any such bank neglects to make out or transmit the statements and proof of publication thereof required by this Act, it shall be subject to a penalty of twenty (\$20.00) dollars for each day in default after the periods respectively required by this Act that it may delay to make and transmit any such statement. And should any such bank delay for the period of one month beyond the period when

the same is required to be made, to make out and transmit the statements required by this Act, or wilfully violate any provisions of this Act, the directors shall be personally liable for all debts of such corporation contracted previous to and during the period of such neglect.

Section 4001. Every officer or other person authorized by this Act who wilfully and knowingly makes any false statement of facts, statement of account or report, and every officer, agent or clerk of any such bank who wilfully and knowingly makes any false entries in the books of such bank, or knowingly subscribes or exhibits false papers with the intent to deceive any person authorized to examine as to the condition of such bank, and every person authorized by the provisions of this Act to make statements or reports who wilfully and knowingly subscribes or makes any false statement or report, shall be deemed guilty of felony, and upon conviction, subject to imprisonment at hard labor in the state prison for a term of not less than one nor more than ten years.

Section 4002. The State Examiner shall call for a report from every such banking institution under the provisions of this Act within sixty days after its passage and approval.

Section 4003. Any banking association, trust deposit and security corporation, or savings bank, organized under the laws of Montana, may be dissolved by the district court of the county where its office or principal place of business is situated upon its voluntary application for that purpose.

The application must be in writing and must set forth that at a meeting of the stockholders and members called for that purpose, the dissolution of the association was resolved upon by a two-thirds vote of all the stock, and that all claims and demands against the association have been satisfied and discharged.

The application must be signed by a majority of the board of directors or other officers having the management of the affairs of the association, and must be verified in the same manner as a complaint in a civil action.

A verified copy of the application shall be filed with the State Examiner or such other State officer as is by law authorized to examine such associations within ten days after the filing of such application with the district court.

If the court is satisfied that the application is in conformity with this Chapter it must order the application to be filed and the clerk to give not less than thirty nor more than fifty days' notice of the application by publication in some newspaper published in the county. At any time before the expiration of the time of publication any person may file his objections to the application.

Before the final hearing and determination of the application the State Examiner shall make a thorough examination of the affairs of such association and file a certified statement of such examination with the clerk of the court of the county where such application is made, which statement shall be a part of the papers in the case. After the time publication has expired the court may, upon five days' notice to the per-

sons who have filed objections, or without further notice if no objections have been filed, proceed to hear and determine the application, and if all the statements made therein are shown to be true the court must declare the association dissolved. No stockholder or officer of such association shall be allowed to withdraw from such association or surrender or dispose of his shares of stock after the filing or making of such application for dissolution and prior to the final determination of the case. Upon the dissolution of such association by the district court, the clerk of said court shall forthwith notify the Secretary of State of such dissolution, by sending a copy of the order of the court and said order and notice shall be filed by the Secretary of State with the original certificate of organization.

The application notices and proof of publication, objections, if any, and declaration of dissolution, constitute the judgment roll, and from the judgment, an appeal may be taken in the same manner as in other actions.

1. Section 4004. Impairment of capital. Duties of State Examiner. Whenever the State Examiner, after a full and careful examination of the affairs of any banking corporation, trust deposit and security company or savings bank, organized under the laws of Montana, or any foreign corporation or branch thereof doing a banking business in Montana, shall find evidence of impairment or insolvency, he shall immediately prepare and submit a statement of its condition to the Governor and Attorney General, and if the Governor and Attorney General are satisfied from such statement that such impairment or insolvency exists, they shall order the State Bank Examiner either (1) to notify the bank's stockholders to make good such impairment or insolvency in a specified time; or (2), to immediately take charge of such bank or trust company and to furnish an official bond for such sum as they designate.

2. If so ordered, the State Bank Examiner shall forthwith take possession of the books, records, and assets, and shall be authorized and empowered, and is directed to take such action as, in his judgment, is best for the protection of the depositors and stockholders of such bank.

While in charge of the State Bank Examiner, the books, records and assets shall not be subject to any levies or attachments.

3. If the stockholders do not make good the impairing or insolvency within the time required after notification, the State Bank Examiner is authorized to take charge of such bank, its property and assets, upon direction of the Governor and Attorney General.

4. It appearing necessary to have a receiver appointed for any such bank or banks, the State Examiner shall make full and complete statement of account and report to the Governor with respect to the condition of its business and affairs; and thereafter, should it appear to the Governor that application should be made for the appointment of a receiver, he shall thereupon direct the Attorney General to file a petition in the District Court of the County in which the bank is situated, asking for the appointment of a receiver, in the name of the State of Montana, and such petition shall be controlling, and by the court so considered

and acted upon, even though stockholders, creditors, or others, may have theretofore filed applications for the appointment of a receiver. When any such petition is filed by the state, no suggestion shall be contained therein as to any particular person to be appointed in such capacity. Receivers of all insolvent banks shall make reports to the State Bank Examiner in the same manner as is required of other banks, at least three times each year, when called upon to do so, or at any time when requested by the State Bank Examiner. Any receiver who refuses to submit the affairs of such bank to an examination by the State Bank Examiner or his assistants, or fails to make report when called for by said officer, or who violates any of the provisions of law relating to examination of banks, shall be subject to removal.

5. The receiver provided for in this Section shall receive such compensation as shall be allowed by the court, but in no event to exceed the fees allowed executors and administrators in administration of estates.

6. The expense for travelling, hotel bills and time actually spent, incurred by the State Bank Examiner's office in performance of the duties imposed by this Section, shall be paid in full by the bank to the State Treasurer and by him credited to the State Examiner's fund. (Chapter 141, Session Laws of 1909.)

Approved March 11, 1909.

Section 4005. Any banking association, trust deposit and security corporation or savings bank, organized under the laws of this state, may increase its capital stock, but no increase shall be valid until the whole amount of such increase is paid in in cash, and such payment certified under oath by the president or cashier, to the State Auditor, (now State Examiner, see Section 4009), who shall give his certificate specifying the amount of such increase, with his approval thereof, and that it has been duly paid in as a part of the capital of such corporation. (See also Section 3918, page 9.)

Section 4006. Any banking association, trust deposit and security company or savings bank may reduce its capital stock to any sum not below the amount required by law to authorize its formation, by a vote of its stockholders owning two-thirds of its stock, but no reduction shall be made until the amount of the proposed reduction is reported to the State Examiner and his approval thereof obtained in writing, and until notice of such reduction shall be given by publication for at least sixty days in some newspaper of general circulation, printed and published in the county wherein such corporation is doing business, and provided further that no reduction shall be construed as affecting the liability of shareholders for any debts of the association incurred prior to such reduction.

Section 4007. Whenever any banking corporation, trust deposit and security company or savings banks, organized under the laws of this State, shall be insolvent or in impaired condition in the manner described and set forth in Section 4004 of this Act, such banking corporation, trust deposit and security company or savings bank shall not accept or receive on deposit any money, bank bills or notes, United

States Treasury notes or currency, or other notes, bills or drafts circulating as money or currency, or transact any other business in connection with its operation, except as trustee for the depositors and parties transacting business with them, and it or they shall keep all such deposits of money, bills or notes, or United States Treasury notes or currency, or other notes, bills or drafts, circulating as money or currency, separate and apart from the general assets of the bank, from and after the date such notice is given to its officers and stockholders, as set forth in Section 4004 of this Act, and which trust deposits shall be kept separate and apart from the general assets of the bank until such impairment or insolvency has been made good, when such deposits received in "trust" may be transferred to the general assets of the bank on, and by written consent of the State Examiner; and further provided that, in the event of such impairment or insolvency be not made good or removed within the period stated by the notice required as set forth in Section 4004 of this Act, then any and all such "trust" deposits shall be returned to the depositors making them; and further provided, that any officer, director, cashier, manager, member, party or managing partner thereof who shall knowingly accept or receive, be accessory to or permit or connive at the receiving or accepting of such trust deposits, except in the manner hereinbefore set forth in this Section, shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding ten thousand dollars, or by imprisonment in the state penitentiary not exceeding five years, or by both fine and imprisonment as aforesaid.

Section 4008. Any officer, agent or clerk of any banking corporation, trust deposit and security corporation or savings bank, organized under the laws of this State, who wilfully and knowingly receives money, bank bills, notes of the United States or currency, or other notes, bills or drafts circulating as money or currency, except in the manner hereinbefore set forth in Section 4007 of this Act, or who subscribes or makes any false statement or entries in the books of such association or corporation, or knowingly subscribes or exhibits any false paper with the intent to deceive any person authorized to examine as to the condition of such association or corporation, or willfully subscribes or makes false reports, shall be subject to imprisonment at hard labor in the penitentiary for a term not exceeding five years.

Section 4009. That all duties now required to be performed by, and all responsibilities now imposed upon the State Auditor, under the laws regulating the business of banking, shall hereafter be performed by the State Examiner, under title of State Bank Examiner, and all reports and papers now on file in the State Auditor's office pertaining to banks are hereby transferred to the custody of the State Examiner.

Section 4010. Every bank shall keep on hand at all times at least fifteen per cent of its total deposits, of which such portion as the board of directors may determine may be on deposit in banks in cities of the first and second class approved by the State Examiner as reserve banks, except in the case of banks which shall be approved by the State Examiner, as reserve banks, which banks shall at all times keep on

hand at least twenty-five per cent of their total deposits in lawful money or on deposit in banks subject to the approval of the State Examiner as reserve banks.

Section 4011. The total liabilities of any person, co-partnership or corporation, to any bank, for money borrowed, including in the liabilities of a co-partnership, the liabilities of the several members thereof, shall at no time exceed twenty per cent of the amount of capital, surplus of such bank; but the discounting of bills of exchange drawn in good faith against actually existing values, and discounting of commercial paper or business paper actually owned by the person negotiating the same and loans made on warehouse receipts and bills of lading representing, actual value, shall not be considered as money borrowed.

Section 4012. The stockholders of every corporation formed under this Chapter, or which may avail itself of its provisions, shall be severally and individually liable, equally and rateable, and not one for the other, for all contracts, debts and engagements of such corporation to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares.

Section 4013. All real estate owned by any bank shall be taxed to the bank as other real estate is taxed in the county where the real estate is situated and the residue of its property being shares of stock in said bank shall be reduced to a cash value and assessed and taxed to the individual shareholder in the identical manner that other personal property is assessed in Montana, having in view that the assessment thereof for the taxation shall not be at a greater proportion to face value than is the assessment upon other classes of personal property.

Section 4014. Whenever under the provisions of this law or of any law now in existence relating to banks it is unlawful to do or not to do anything, and the penalty is not prescribed, then such act shall be a misdemeanor and be punished as provided by the law.

Section 4015. The provisions of this Act shall apply only to banking corporations organized under the laws of this State.

ANNUAL FEE FOR STATE EXAMINER'S FUND.

Section 215. That for the purpose of the just distribution of the expenses incurred in pursuance of this title, there is created a fund designated "State Examiner Fund." For the credit of said fund each county of the State shall pay to the State Treasurer on or before the first day of July of each year, according to its classification as follows:-

Counties of first class	\$750.00 each
Counties of second class	350.00 each
Counties of third class	250.00 each
Counties of fourth class	200.00 each
Counties of fifth class	150.00 each
Counties of sixth class	125.00 each
Counties of seventh and eighth class	100.00 each

Any counties hereafter created are to be deemed counties of seventh class until an assessment of such county has been made and the class thereof determined, and for the maintenance of this fund for the years

1907 and 1908, if there is no subsequent legislation hereon, each county shall pay on its present classification and thereafter on the classification as made by law.

Each bank, banking corporation, savings bank, investment and loan company subject to supervision of the State Examiner under the laws of this State shall pay to the State Treasurer for the State Examiner's Fund, on or before the first day of November of each year, a fee according to its capitalization at the following rates:

Capital stock up to \$25,000, inclusive, \$50.00; capital stock over \$25,000 and less than \$50,000, fee \$75.00; capital stock from \$50,000 to \$75,000 inclusive, fee \$100.00; capital stock over \$75,000 and to \$100,000 inclusive, fee \$150.00; capital stock over \$100,000 and to \$200,000 inclusive, fee \$200.00; capital stock over \$200,000 and less than \$300,000, fee \$250.00; capital stock \$300,000 and over, fee \$300.00.

Each building and loan association subject to examination by the State Examiner shall pay the State Treasurer on or before the first day of November of each year a fee of one-twentieth of one per cent of its assets as shown by its last annual statement provided that no examination fee shall be less than twenty nor more than fifty dollars for a domestic association, nor more than two hundred dollars for a foreign corporation.

Section 216. Any bank, banking corporation, savings bank, building and loan association, investment and loan company liable for a fee under Section 215 of this Act, that shall fail or neglect to pay the State Treasurer within ten days after the first day of November of each year the sum due as specified in the section next preceding shall forfeit to the state ten dollars (\$10.00) for every day it shall so fail or neglect, to be sued for and recovered in the name of the State by the County Attorney of the county in which the business of such banking association or corporation shall be located, and when so recovered, the amount shall be paid into the treasury of such county for the use of common schools therein.

EXTENSION OF CORPORATE EXISTENCE.

Section 3907. Every corporation formed for a period of less than twenty years may at any time prior to the expiration of the term of its corporate existence extend such term to a period not exceeding twenty years from its formation. And every corporation may extend the period of its existence for an additional term not exceeding twenty years, after the expiration of the period for which it was formed, as follows: Such extension may be made at any meeting of the stockholders or members called by the directors expressly for considering the subject if voted by stockholders representing two-thirds of the capital stock, or by two-thirds of the members, or may be made upon the written assent of that number of stockholders or members. A certificate of the proceedings of the meeting upon such vote, or upon such assent, shall be signed by the chairman and secretary of the meeting and a majority of the directors, and be filed in the office of the County Clerk where the original articles of incorporation were filed, and a certified

copy thereof in the office of the Secretary of State, and thereupon the term of the corporation shall be extended for the specified period.

Section 3908. The provisions of this Title are applicable to every corporation unless such corporation is excepted from its operation, or unless a special provision is made in relation thereto inconsistent with some provisions in this Title, in which case the special provision prevails.

FOREIGN BANKING CORPORATIONS.

Section 3976. Right to transact business.

3977. Branch bank, how established.

3978. Certificate of State Auditor.

3979. Reserve fund.

3980. Reports to State Examiner.

3981. Semi-annual reports.

3982. Officers prohibited from certifying checks without deposits.

3983. Failure to make statements.

3984. Limitation on liabilities.

3985. Capital surplus or deposits must not be withdrawn from state.

3986. Duties of State Examiner.

3987. Certificate may be cancelled for impaired capital.

3988. Misstatement of amount of capital prohibited.

3989. Assets of bank not liable for redemption of circulating notes or bills.

3990. Penalties for false statements, entries or reports.

3991. Penalties for violation of this Act.

Section 3976. No foreign corporation or joint stock company shall keep any office for the purpose of receiving deposits or discounting notes or bills, or buying and selling exchange, coin, or bullion, or shall do any banking business whatever, within this State, except as hereinafter provided.

Every corporation or joint stock company not now or hereafter created, organized and existing under the laws of Montana, shall be deemed a foreign corporation or joint stock company; provided, always, that this Act shall not apply to any National Banking Association organized under authority of the Congress of the United States.

Section 3977. Any foreign corporation or joint stock company may establish and maintain a branch bank in any city, town or village in this State, upon complying with the following requirements, and obtaining a certificate from the State Auditor (State Examiner) as hereinafter provided; that is to say, such foreign corporation or joint stock company shall set aside and pay into the treasury of such branch bank a sum of money at least equal to the amount of capital stock required for a national bank at the place where such branch bank may be located, which payment shall be certified under oath to the State Auditor (State Examiner) by the local manager of such bank.

Section 3978. The State Auditor (State Examiner) shall, upon compliance with the foregoing requirements, issue a certificate to such branch bank, stating that it has complied with the provisions of this Act and is entitled to do a banking business at the place designated in such certificate. A new certificate shall be issued, by the State Auditor (State Examiner), on the 1st day of January in each year; provided, that the capital herein required shall be unimpaired, and the other provisions of this Act have been complied with.

Section 3979. Every such branch bank of any foreign corporation or joint stock company doing a banking business in this State shall, at all times, have on hand in such branch bank, in lawful money of the United States, an amount equal to at least ten per centum (10 per cent) of the aggregate amount of its deposits of all kinds. Whenever the said reserve fund shall be below twenty per centum (20 per cent) of such deposits, such branch bank shall not increase its liabilities by making any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividend of its profits until the required proportion between the aggregate amount of its said deposits and its lawful money of the United States has been restored. The State Examiner may notify such branch bank, whose lawful money reserve shall fall below the amount required to be kept on hand, to make good such reserve, and, if such bank shall fail for thirty days thereafter so to make good its reserve of lawful money, the State Auditor (State Examiner) shall thereupon cancel the certificate theretofore issued by him to such branch bank.

Section 3980. Every such branch bank of any foreign corporation or joint stock company shall make, to the State Examiner, not less than five reports during each year, all at his call, not less than two calendar months to intervene between each call, according to the form which may be prescribed by him, verified by the oath or affirmation of the resident manager or cashier of such branch bank, which said statement must contain a full abstract of the general accounts of the bank, and exhibit in detail under appropriate heads, the resources and liabilities thereof, so as to plainly show all of the resources and liabilities, and the amount and kind thereof, which said statement shall be transmitted to the State Examiner within five days after the receipt of the request or requisition therefor made by him, and in such condensed form as may be required by the State Examiner. It must be published once in a newspaper of general circulation in the place where such bank is located, or, if there be no newspaper of general circulation published in such place, then in one published nearest thereto within the county and at the expense of the bank, and such proof of the publication of such statement shall be furnished as may be required by the State Examiner. The State Examiner shall also have power to call for special reports from any branch bank, whenever in his judgment the same are necessary in order to have a full and complete knowledge of its conditions.

Section 3981. In addition to the reports required by the preceding section, every such branch bank of any foreign corporation or joint stock company shall report to the State Examiner, within ten days

after declaring any dividend, the amount of such dividend and the amount of net earning in excess of such dividend. It shall also make a semi-annual report on the 30th day of June and the 31st day of December of each year in such form as shall be prescribed by the State Examiner showing the amount of the earnings of such branch bank and the amount of the dividends, if any, for the preceding six months. Such report shall be attested by the oath of the resident manager or cashier of such bank.

Section 3982. It shall be unlawful for any officer, clerk or agent of any branch bank to certify any check drawn upon the same, unless the person or company drawing the check has on deposit with such branch bank, at the time such check is certified, an amount of money equal to the amount certified in such check. If any such officer, clerk or agent shall resort to any device or receive any fictitious obligation, direct or collateral, in order to evade the provisions hereof, or if he shall certify checks before the amount thereof shall have been regularly entered to the credit of the dealer upon the books of such branch bank, every such act shall be deemed a violation of this Section and be subject to the penalty hereinafter prescribed.

Any check so certified by duly authorized officers shall, however, be a good and valid obligation against such bank.

Section 3983. If any such bank neglects to make out or transmit the statements and proof of publication thereof, required by this Act, it shall be subject to a penalty of twenty dollars for each day in default after the periods respectively required by this Act that it may delay to make and transmit such statement, and should any such bank delay for a period of one month beyond the period when the same is required to be made to make out and transmit the statements required to be made by this Act, or willfully violate any provisions of this Act, then it shall be the duty of the State Auditor, (State Examiner), to cancel any outstanding certificate issued by him.

Section 3984. The total liabilities to any such branch bank of any person or of any company, corporation or firm for money borrowed including, in liabilities of a company or firm, the liabilities of the several members thereof shall at no time exceed one-tenth of the amount of the capital actually paid in and in use in such branch bank. But the discount of bills of exchange drawn in good faith against existing values, and the discount of business or commercial paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

Section 3985. Neither any portion of the capital required by this Act, nor of the surplus or deposits of such branch bank shall be withdrawn therefrom by said foreign corporation or joint stock company and kept or used in any other branch bank or such corporation or joint stock company, except so far as shall be necessary and proper in the ordinary course of the banking business of the local branch bank.

Section 3986. The State Examiner, as often as he shall deem it proper and necessary, and at least once in each year, shall, in person or by suitable assistant or assistants, make an examination of the

affairs of such branch bank, and shall have power to make a thorough investigation into all the affairs of such branch bank and, in doing so, examine any of the officers, agents or employees thereof on oath, and shall make a full and detailed report of the condition of such branch bank to be kept in the files of his office. And for the purpose of contributing to the expense and maintenance of the State Examiner's office, every such branch bank shall pay into the state treasury, for the "State Examiner's Fund," on or before the first day of November of each year, a fee according to the capitalization of such branch bank, at the following rate: For a capital stock of from twenty-five to fifty thousand dollars, inclusive, a fee of fifty (\$50.00) dollars; for a capital stock of over fifty thousand dollars and up to seventy-five thousand dollars, inclusive, a fee of seventy-five (\$75.00) dollars; for a capital stock over seventy-five thousand dollars, up to one hundred thousand dollars or more, a fee of one hundred (\$100.00) dollars.

Section 3987. Whenever it shall appear, from any examination authorized by this Act, that the capital of such branch bank has become impaired, or that any portion thereof has been withdrawn from said branch bank by such foreign corporation or joint stock company, then it shall be the duty of the State Auditor, (State Examiner), to cancel any outstanding certificate issued by him.

Section 3988. No such branch bank of any foreign corporation or joint stock company, doing a banking business in this State, shall make use of or circulate any letter heads, bill heads, blank notes, blank receipts, blank check books, certificates or circulars wherein a greater amount of capital is claimed than the actual capital of such branch bank, nor shall it otherwise, in any manner, advertise or set forth any such claim.

Section 3989. No portion of the capital, surplus, deposits or other assets of a branch bank of any foreign corporation or joint stock company, doing a banking business within this State, shall be liable for the redemption of any circulating notes or bills of such foreign corporation or joint stock company, nor for any other liabilities thereof, whatever except for those arising out of the business of such branch bank.

Section 3990. Every officer, or other person mentioned and authorized by this Act, who knowingly makes any false statement of facts, statement or report, and every officer, agent or clerk of any such branch bank who willfully and knowingly makes any false entries in the books of such branch bank, or knowingly subscribes or exhibits false papers with the intent to deceive any person authorized to examine as to the condition of such branch bank, and every person authorized by the provisions of this Act, to make statements or reports who willfully and knowingly subscribes or makes any false statement or report, shall be deemed guilty of felony, and upon conviction, subject to imprisonment at hard labor in the state prison, for a term of not less than one year, nor more than ten years, for each offense.

Section 3991. In addition to the penalties and punishment recited in the previous Sections of this Act, every foreign corporation or joint stock company, and every officer, agent or employee thereof, violating

any of the provisions of this Act, shall, in addition to the penalties and punishments heretofore provided in this Act, forfeit and pay to the State of Montana the sum of one thousand (\$1000.00) dollars for each violation. Such forfeiture may be recovered in an action by the Attorney General, in the name of the State of Montana, brought in the District Court of the county where the branch bank shall be located.

Approved March 7, 1907.

CHAPTER 109.

"An Act to make Foreign Corporations and Joint Stock Companies, Corporations and Joint Stock Companies of this State for the purposes of Jurisdiction and to make the Stocks and Shares of such Corporations and Joint Stock Companies Subject to Attachment the same as the Stocks and Shares of Domestic Corporations are now Subject to Attachment under the Laws of this State."

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. All foreign corporations or joint stock companies, except foreign insurance companies and corporations otherwise provided for, organized under the laws of any other state or territory of the United States, or, of the United States, or of any foreign government, and doing business in this State, or, which may hereafter engage in business in this State, shall be deemed and taken to be corporations of this State for the purposes of jurisdiction, and shall be subject to the jurisdiction of the courts of this State, and may sue and be sued therein in the mode and manner that is, or, may be by law directed in the case of corporations created or organized under the laws of this State.

Section 2. The stocks or shares of such foreign corporations and joint stock companies, doing business in this State, shall be subject to attachment in the same manner as now provided by law in the case of domestic corporations.

Section 3. All Acts and parts of Acts in conflict with this Act are hereby repealed.

Section 4. This Act shall take effect from and after its passage and approval.

Approved March 8, 1909.

CHAPTER 37.

An Act concerning the payment of deposits in banks in trust.

Be it enacted by the Legislative Assembly of the State of Montana.

Section 1. Whenever any deposit shall be made in any bank, savings bank, banking institution or trust company, by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom said deposit was made.

Section 2. This Act shall take effect immediately.

Section 3. All Acts or parts of Acts in conflict with the provisions of this Act are hereby repealed.

Approved February 27, 1909.

CHAPTER 41.

An Act relating to banks and banking; providing for a conversion from a State to a National bank; and surrender of its charter as a State bank and transfer of its property; providing for an increase or decrease in the capital stock of such a bank; providing for a conversion from a National to a State bank.

Be it enacted by the Legislative Assembly of the State of Montana.

Section 1. Change from State to National Bank. Any bank may become a corporation for the purpose of carrying on the business of banking within this State pursuant to the provisions of the Act of Congress "to provide a national currency secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of Title 52 of the Revised Statutes of the United States, whenever stockholders owning two-thirds of the stock of such bank shall have voted to become such corporation, or have executed a written consent authorizing its directors to make the certificate required therefor by the laws of the United States, or whenever a majority of the directors of such bank, having been authorized in their discretion to make the change, shall, by a vote of such majority, decide to become such corporation; and the cashier of such bank shall publish notice thereof for thirty days in such newspaper as the directors may select, and send a like printed notice by mail or otherwise to all non-voting or dissenting stockholders, and notify the State Bank Examiner of this State that such bank has decided to become a corporation under the laws of the United States.

Section 2. When Deemed to Have Surrendered Its Charter. Any such bank which will become a corporation for carrying on the business of banking under the laws of the United States shall cease to be a corporation under the laws of this State, except that for the term of three years thereafter, its corporate existence shall be deemed to continue for the purpose of prosecuting and defending suits by and against it, and of enabling it to close its concerns, and to dispose of and convey its property. The members of the board of directors last in office, when such corporation shall have become a corporation under the laws of the United States, shall continue to be the board of directors of the new corporation, with power to take all necessary measures to carry out and perfect such organization by signing the articles of association and the organization certificate, and adopting such regulations as may be just and proper and not inconsistent with the acts of Congress in relation thereto. Such change from a State to a National bank corporation shall not release any such bank from its obligations to pay and discharge all the liabilities created by law or incurred by it before becoming a National bank corporation, or any tax imposed by the laws of this State up to the date of its becoming such National bank corporation, in proportion to the time which has elapsed since the next preceding payment thereof.

Section 3. Reduction of Capital Stock in Such Cases. The director of such new corporation may reduce the capital stock of the bank to its par value by dividing the surplus among its stockholders, or may

retain such portion of such surplus as they may deem necessary; and in case of an increase of the capital stock under the provisions of the Acts of Congress, may charge the shares of such increased capital stock with a like amount, to place the whole of such capital stock on an equality; and may award such new stock, or such proportion or fractional parts thereof, to such persons as they shall determine are entitled thereto, and as are provided in their articles of association and in the acts of Congress; but new directors may be chosen at such time and in the manner provided in the articles of association and in the acts of Congress.

Section 4. Certificate of Change. When any such bank has decided to become a corporation under the laws of the United States, the directors shall immediately thereafter execute and transmit to the Comptroller of the Currency the proper certificate and other instruments for its conversion into a National bank corporation under the laws of the United States. When any such bank shall have become authorized to commence the business of banking under the laws of the United States, all the property of such bank shall immediately, by act of law, and without any conveyance or transfer, be vested in and become the property of the National bank corporation, into which such bank shall have been converted.

Section 5. National Banks May Reorganize as State Banks. Any National bank authorized to dissolve, and which shall have taken the necessary steps to effect dissolution, may reorganize as a State bank upon the consent in writing of the owners of two-thirds of the capital stock of such bank, and with the approval of the State Bank Examiner. The stockholders shall make, execute and acknowledge articles of incorporation as required by the laws of the State of Montana and shall set forth therein the said written consent of such stockholders. Upon the filing of said articles as provided by law, and upon the approval of the State Bank Examiner, such bank shall be deemed to be reorganized under this Act, and thereupon all assets, real and personal, of such dissolved National bank, shall be vested in and become the property of such reorganized State bank, subject to all liabilities of such National bank not liquidated before such reorganization.

Section 6. All Acts and parts of Acts in conflict herewith are hereby repealed.

Section 7. This Act shall take effect and be in force from and after its passage and approval.

Approved March 1, 1909.

CHAPTER 78.

An Act fixing the liability of a bank to its depositor for payment of forged or raised checks.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. No bank shall be liable to a depositor for the payment by it of a forged or raised check unless within one year after the return to the depositor of the voucher of such payment, such depositor shall notify the bank that the check so paid is forged or raised.

Section 2. All Acts and parts of Acts in conflict with the provisions of this Act are hereby repealed.

Section 3. This Act shall be in full force and effect from and after its passage and approval.

Approved March 4, 1909.

CHAPTER 110.

An Act relating to the payment of deposits in two names.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. When a deposit has been made, or shall hereafter be made, in any bank, savings bank, banking institution, or trust company, transacting business in this State, in the names of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons whether the other be living or not; and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made.

Section 2. This Act shall be in full force and effect from and after the date of its passage and approval.

Approved March 8, 1909.

CHAPTER 112.

An Act relating to banks and banking and providing for the creation of a surplus fund.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. The directors of any banking corporation, trust deposit and security company or savings bank, organized under the laws of Montana, or any foreign corporation or branch thereof doing a banking business in Montana, may declare a dividend from the net earnings after deducting all losses, provided that before any such dividend shall be declared, ten per cent of the amount available for such a dividend shall be set aside into a surplus fund, until said surplus fund shall amount to twenty per cent of the capital stock of such corporation.

Section 2. All Acts and parts of Acts in conflict herewith are hereby repealed.

Section 3. This Act shall take effect and be in force from and after its passage and approval.

Approved March 8, 1909.

PENAL CODE.

FRAUDULENT INSOLVENCIES BY CORPORATIONS, AND OTHER FRAUDS IN THEIR MANAGEMENT.

Section 8709. Frauds in subscriptions for stock corporations.

8710. Fraudulent issue of stock, scrip, etc.

8711. Frauds in procuring organization, etc., of corporations.

8712. Unauthorized use of names in prospectus, etc.

8713. Misconduct of directors of stock corporations.

8714. Savings-bank officer overdrawing his account.

8715. Receiving deposit in insolvent banks.

- 8717. Frauds in keeping accounts in books of corporations.
- 8718. Officer of corporation publishing false reports.
- 8719. Officer of corporation to permit an inspection.
- 8722. Director of a corporation presumed to have knowledge of its affairs.
- 8723. Director present at meeting, when presumed to have assented to proceedings.
- 8724. Director absent from meeting when presumed to have assented to proceedings.
- 8725. Foreign corporations.
- 8726. Same.
- 8727. Agent of foreign corporation.
- 8728. Corporation not complying with laws.
- 8729. Agent of corporation.
- 8730. "Director" defined.

Section 8709. Every person who signs the name of a fictitious person to any subscription for, or an agreement to take, stock in any corporation, existing or proposed, and every person who signs to any subscription or agreement the name of any person, knowing that such person has not means or does not intend in good faith to comply with all the terms thereof, or under any understanding or agreement that the terms of such subscription or agreement are not to be complied with or enforced, is guilty of a misdemeanor.

Section 8710. Every officer, agent or other person in the service of any joint stock company or corporation formed or existing under the laws of this State, or of the United States, or of any State or Territory thereof, or of any foreign government or country, who wilfully and knowingly, with intent to defraud, either—

1. Sells, pledges or issues, or causes to be sold, pledged or issued, signs or executes, or causes to be signed or executed with intent to sell, pledge or issue, or cause to be sold, pledged or issued, any certificate or instrument purporting to be a certificate or evidence of the ownership of any share or shares of such company or corporation, or any bond or evidence of debt, or writing purporting to be a bond or evidence of debt of such company or corporation, without being first thereto duly authorized by such company or corporation, or contrary to the charter or laws under which said company or corporation exists, or in excess of the power of such company or corporation, or of the limit imposed by law or otherwise, upon its power to create or issue stock or evidence of debt; or,

2. Re-issues, sells, pledges or disposes of, or causes to be re-issued, sold, pledged or disposed of, any surrendered or canceled certificates, or other evidence of the transfer, or ownership of any such share or shares, is punishable by imprisonment in the State Prison not exceeding seven years, or by a fine not exceeding three thousand dollars, or both.

Section 8711. Every officer, agent or clerk of any corporation, or of any persons proposing to organize a corporation, or to increase the capital stock of any corporation who knowingly exhibits any false, forged or altered book, paper, voucher, security or other instrument of

evidence, to any public officer or board authorized by law to examine the organization of such corporation, or to investigate its affairs, or to allow an increase of its capital, with intent to deceive such officer or board in respect thereto, is punishable by imprisonment in the State Prison not less than three nor more than ten years.

Section 8712. Every person who without being authorized so to do, subscribes the name of another to, or inserts the name of another in any prospectus, circular or other advertisement or announcement of any corporation or joint stock association, existing or intended to be formed, with intent to permit the same to be published and thereby to lead persons to believe that the person whose name is so subscribed is an officer, agent, member or promoter of such corporation or association is guilty of a misdemeanor.

Section 8713. Every director of any stock corporation who concurs in any vote or act of the directors of such corporation or any of them, by which it is intended, either—

1. To make any dividend, except from the surplus profits arising from the business of the corporation, and in the cases and manner allowed by law; or,

2. To divide, withdraw or in any manner, except as provided by law, pay to the stockholders, or any of them, any part of the capital stock of the corporation; or,

3. To discount or receive any evidence of debt in payment of any installment actually called in and required to be paid, or with the intent to provide the means of making such payments; or,

4. To receive or discount any note or other evidence of debt, with the intent to enable any stockholder to withdraw any part of the money paid in by him, or his stock; or,

5. To receive from any other stock corporation, in exchange for the shares, notes, bonds or other evidences of debt of their own corporation shares of the capital stock of such other corporation, or notes, bonds, or other evidences of debt issued by such corporation, is guilty of a misdemeanor.

Section 8714. Every officer, teller or clerk of any savings bank, who knowingly overdraws his account with such bank, and thereby wrongfully obtains the money, note or funds of such bank, is guilty of a misdemeanor.

Section 8715. No bank, banking house, exchange broker, individual banker, deposit office or firm, company or corporation or party engaged in the banking, broker, exchange, loan or deposit business shall accept or receive on deposit, or for safe keeping, or to loan, with or without interest, from any person, any money or any bills, notes, or any paper circulating as money, or any notes, drafts, bills of exchange, bank checks or other commercial paper, for safe keeping or for collection, when such bank, banking house, exchange broker, individual banker, deposit office, firm, company or corporation, or party, is unsafe and insolvent.

If any such bank, banking house, exchange broker, individual banker, deposit office or firm, company, corporation or party, shall receive or accept on deposit, or for safe keeping or to loan, with or without

interest, from any persons, any money or any bills of exchange, bank checks or other commercial paper, drafts, notes or other paper circulating as money, or any notes, for safe keeping or for collection, when unsafe or insolvent, any officer, director, cashier, manager, principal, agent, clerk, party or managing party, thereof, knowing or having reason to know of any such unsafeness or insolvency, who shall knowingly receive or accept, be accessory to, or permit or connive at, or receive or accept on deposit therein or thereby, any such deposits, money or property as aforesaid, shall be guilty of a felony and shall be punished by imprisonment in the State penitentiary not less than one year or more than twenty years.

Section 8716. But the passage and approval of this Act and the amendment as herein provided shall not constitute a bar to the prosecution of an act or offense heretofore committed in violation of said Section 986, but said act or offense, and the person committing the same, may be prosecuted, indicted, or informed against, and punished, the same as if this act had not been passed.

Section 8717. Every officer, director or agent of any corporation or joint stock association, who knowingly receives or possesses himself of any property of such corporation or association, otherwise than in payment of a just demand, and who, with intent to defraud, omits to make, or to cause or to direct to be made, a full and true entry thereof in the books or accounts of such corporation or association, and every director, officer, agent or member of any corporation or joint stock association who, with intent to defraud, destroys, alters, mutilates or falsifies any of the books, papers, writings or securities belonging to such corporation or association, or makes, or concurs in making any false entries, or omits, or concurs in omitting to make any material entry in any book of accounts or other record or document kept by such corporation or association, is punishable by imprisonment in the State Prison not less than three nor more than ten years, or by imprisonment in the county jail not exceeding one year, or by a fine not exceeding five hundred dollars, or by both imprisonment and fine.

Section 8718. Every director, officer, or agent of any corporation or joint stock association, who knowingly concurs in making, publishing or posting any written report, exhibit, or statement of its affairs or pecuniary condition, or book or notice containing any material statement which is false, or refuses to make any book or post any notice required by law, in the manner required by law, other than such as are mentioned in this Chapter, is guilty of a felony.

Section 8719. Every officer or agent of any corporation, having or keeping an office within this State, who has in his custody or control any book, paper, or document of such corporation, and who refuses to give to a stockholder or member of such corporation, lawfully demanding, during office hours, to inspect or take a copy of the same, or of any part thereof, a reasonable opportunity so to do, is guilty of a misdemeanor.

Section 8722. Every director of a corporation or joint stock association is deemed to possess such a knowledge of the affairs of his cor-

poration as to enable him to determine whether any act, proceeding or omission of its directors is a violation of this Chapter.

Section 8723. Every director of a corporation or joint stock association who is present at a meeting of the directors at which any act, proceeding or omission of such directors in violation of this Chapter occurs, is deemed to have concurred therein unless he at the time causes or in writing requires his dissent therefrom to be entered in the minutes of the directors.

Section 8724. Every director of a corporation or joint stock association, although not present at a meeting of the directors at which any act, proceeding or omission of such directors in violation of this Chapter occurs, is deemed to have concurred therein if the facts constituting such violation appear on the records or proceedings of the board of directors and he remains a director of the same company for six months thereafter and does not within that time cause or in writing require his dissent from such illegality to be entered in the minutes of the directors.

Section 8725. It is no defense to a prosecution for a violation of the provisions of this Chapter that the corporation was one created by the laws of another State, government or country, if it was one carrying on business or keeping an office therefor within this State.

Section 8726. Every foreign corporation doing business in this State contrary to the provisions of Title XII, Part IV, Division 1, of the Civil Code, is guilty of a misdemeanor.

Section 8727. Every person who acts as agent or in any other capacity for a foreign corporation who has not complied with the provisions of law relating to foreign corporations, is guilty of a misdemeanor.

Section 8728. Every corporation which fails to comply with the provisions of law relating to corporations, as prescribed in the Civil Code, is guilty of a misdemeanor.

Section 8729. Every person who acts as an officer, agent or in any other capacity for a corporation which has not complied with the provisions of law as prescribed in the Civil Code, is guilty of a misdemeanor.

Section 8730. The term "director," as used in this Chapter, embraces any of the persons having by law the direction or management of the affairs of a corporation, by whatever name such persons are described in its charter or known by law.

CONSTITUTIONAL PROVISIONS, ARTICLE XV.

CORPORATIONS OTHER THAN MUNICIPAL.

Section 4. The Legislative Assembly shall provide by law that in all elections for directors or trustees of incorporated companies, every stockholder shall have the right to vote in person or by proxy the number of shares of stock owned by him for as many persons as there are directors or trustees to be elected or to cumulate said shares, and give one candidate as many votes as the number of directors multiplied by the number of his shares of stock shall equal, or to distribute them, on the same principle, among as many candidates as he shall think fit, and such directors or trustees shall not be elected in any other manner.

Section 10. No corporation shall issue stocks or bonds, except for labor done, services performed, or money and property actually received; and all fictitious increase of stock or indebtedness shall be void. The stock of corporations shall not be increased except in pursuance of general law, nor without the consent of the persons holding a majority of the stock first obtained at a meeting held after at least thirty days' notice given in pursuance of law.

INDEX.

	Sec.	Page.
Articles of Incorporation.		
banks of discount and deposit	3909	7
contents	3819	4
defined	3817	4
fees for filing	165	5
must be acknowledged	3820	5
trust companies	3936	13
Attorney General.		
duties regarding insolvent banks	4004	25
duties regarding forfeiture of franchise	3919	9
Banks of Discount and Deposit.		
See also Penal Code and Constitutional Provisions.		
articles of incorporation	3909	7
articles of incorporation defined	3817	4
articles of incorporation contents	3818	4
attorney general, duties regarding forfeiture of franchise	3919	9
capital stock, amount necessary to be paid in	3909	7
capital stock, business not to be transacted until paid in	3909	7
capital stock, increase of	3918	9
	10	42
	4005	26
capital stock, impairment of	4004	25
capital stock, reduction of	4005	26
certificate of authority to commence business	3909	7
conversion from national to state bank, see national banks.		
conversion from state to national bank, see state banks.		
county attorney, must prosecute when	3995	22
deposits in two names payable to whom.....Chapter 110	1	37
deposits, not to be received when, penalty.....	4007	26
deposits, to be kept separate when	4008	27
deposits, to be returned when	4007	26
directors, liability upon failure to make report	4007	26
directors, election of	4000	23
directors, loans to unlawful when, penalty.....3993	3912	8
directors, oath of office	3994	22
directors, qualification of	3912	8
directors, term of office	3912	8
dissolution of, voluntary	3912	8
dividends, must be from net earnings	4003	24
dividends, must be reported to state examiner	3916	9
dividends, shall not be made when	3998	23
dividends, surplus fund must be created from	3921	10
	Chapter 112	
	1	37
extension of corporate existence	3907	29
false entries, penalty for making	4001	24
fees, for state examiner's fund	215	28
fees, penalty for failure to pay	216	29
forfeiture of franchise	3919	9
forged or raised checks, when not liable for paying.....		
	Chapter 78	
	1	36
impairment of capital, duties of state examiner	4004	25
indebtedness and liability of any person, firm or corpora- } 3920		9
tion, limited to what	4011	28
insolvency or impaired capital, see insolvent banks.		
liabilities, immediate, what included	3921	10
list of stockholders and officers to be kept where	3917	9
	3920	9
loans, limitation of to association or individual	4011	28
loans, not to be made when	2921	10
loans, to managing officers and directors must be } 3993		22
approved when, penalty for violation	3994	22
loans, to managing officers and directors unlawful when, } 3993		22
penalty for violation	3994	22

	Sec.	Page.
may be dissolved how	4003	24
misdemeanor, to violate any law relating to banks, when penalty is not prescribed	4014	28
must not purchase or hold stock of other corporations except when	3910	7
must not purchase or hold its own stock, except when name of	3910	7
name must not be that of any other incorporated bank officers, how chosen	3910	7
officers, liability of	3912	8
powers	3915	8
real estate, conveyance of, how authorized and made....	3911	7
real estate, purchase and conveyance of	3914	8
real estate, shall be taxed how	3913	8
reports, penalty for failure to make	4013	28
reports, penalty for making false reports	4000	23
reports, to be made after declaring dividends	4001	24
reports to state examiner confidential	3998	23
report to state examiner when	3999	23
reports to be published when	3996	23
reports verified how	3996	23
reserve, amount required	4010	27
(Section 3921, page 10, also relates to reserve, but Section 4010 governs.)		
reserve banks, how approved	4010	27
state examiner, must report to county attorney when....	3995	22
stockholders, liability of	3915	8
surplus fund must be created	4012	28
taxes, property shall be taxed how	Chapter 112	1
trust funds deposited without notice of trust payable to whom in case of death	3922	10
	4013	28
whom in case of death	Chapter 37	1
34		
Constitutional Provisions.		
stockholder's vote, legislature to regulate	Art. 15	Sec. 4
stock and bonds shall not be issued except for what purposes	15	10
stock, increased how	15	10
42		
Corporations.		
See also Banks of Discount and Deposit.		
See also Foreign Banking Corporations.		
See also Savings Banks.		
See also Trust Companies.		
See also Penal Code Provisions.		
articles of incorporation, contents of	3818	4
articles of incorporation, defined	3817	4
articles of incorporation, execution of	3820	5
County Attorney.		
duty to prosecute for violations of act	3995	22
state examiner to report violations to	3995	22
Deposits.		
in two names payable to whom.....Chapter 110	1	37
not to be received when	4007	26
to be kept separate when	4007	26
to be returned when	4007	26
trust funds deposited without notice of trust payable to whom in case of death	Chapter 37	1
34		
Dividends.		
may be declared when	Chapter 112	1
must be reported to state examiner	3998	23
Extension of Corporate Existence	3907	29
Foreign Banking Corporations.		
attachment of stock of, manner.....Chapter 109	1	34
branch banks, certificate of state auditor	3978	31
branch banks, how established	3977	30
branch banks, reports, publication of	3980	31
branch banks, reports to state examiner	3980	31
branch banks, report upon declaring dividend	3981	31
capital must not be withdrawn	3985	32
capital stock, misstatement of amount in notice.....	3988	33
certifying check without deposit, prohibited	3982	32

INDEX.

45

	Sec.	Page.
circulating notes or bills, assets of bank not liable for deposits not to be withdrawn or kept or used in any other branch bank	3989	33
doing business in state to be deemed, for jurisdictional purposes, corporations of the state.....Chapter 109	2985	32
examination, duty of state examiner	1	34
fee for state examiner's fund	3986	32
impairment of capital, cancellation of authority	3986	32
impairment of capital, duties of state examiner	3987	33
loans, limit on amount	4004	25
officers, agents or employees violating act, additional penalties	3981	32
officers making false entries, statements or reports, penalty	3991	33
officers liable for certifying any fictitious obligation.....	3990	33
reserve	3982	32
shall be deemed a foreign corporation	3979	31
shall not do business in state except as provided.....	3976	30
state auditor, duty to cancel certificate of authority when	3976	30
state examiner, fees of	3983	32
statement, failure to make out	3987	33
surplus, must not be withdrawn	3986	32
violation of act, additional penalties	3983	32
	3985	32
	3991	23
Governor.		
duties of, in regard to insolvent banks	4004	25
Insolvent Banks.		
attorney general, duties as to	4004	25
attorney general to apply for a receiver when	4004	25
receiver, compensation of	4004	25
receiver, shall be subject to removal when	4004	25
receiver, shall make reports to state examiner	4004	25
state examiner to report condition to governor when....	4004	25
state examiner to take charge of when	4004	25
National Banks. Change to State Banks.		
approval of state examiner necessary	5	36
articles of incorporation of new bank	5	36
assets to become property of state bank	5	36
assets shall remain subject to the liabilities of the national bank	5	36
filing articles of incorporation	5	36
may reorganize as state bank when	5	36
shall set forth consent of stockholders to change	5	36
stockholders shall execute articles of incorporation.....	5	36
Penal Code Provisions. (Fraudulent Insolvencies, etc.)		
acting as agent or officer of corporation which has not complied with provisions of civil code	8729	41
acting as agent of foreign corporation which has not complied with the law	8727	41
director defined	8730	41
director, deemed to have knowledge of affairs	8722	40
director, misconduct of	8713	39
director, not present at meeting deemed to have concurred in action after six months	8724	41
director, present at meeting deemed to have concurred in action, except when	8723	41
fraud in organization	8711	38
fraudulent sale, issue, etc., of stock	8710	38
foreign corporation liable to punishment	8725	41
misconduct of directors	8726	41
no defence that corporation is foreign	8713	39
non-compliance with provisions of civil code a misdemeanor	8725	41
officers, directors or agents keeping false accounts.....	8728	41
officer publishing false report	8717	40
receiving deposits by insolvent banks	8718	40
refusing inspection of books to stockholders	8715	39
savings bank officer overdrawing account a misdemeanor	8719	40
subscriptions to stock, fraudulent	8714	39
unauthorized use of name in prospectus	8709	38
unlawful dividends	8712	39
unlawfully receiving or obtaining any property of a corporation	8713	39
	8717	40
Private Banks.		
must not use corporate name	3910	7

	Sec.	Page.
Reserve.		
amount required	4010	27
Savings Banks.		
See also Penal Code and Constitutional Provisions.		
articles of incorporation, contents	3818	4
articles of incorporation, defined	3817	4
books of, must be open to inspection and examination		
when and by whom	3955	21
by-laws, must be adopted by directors	3947	19
capital stock, amount for which may be incorporated and		
how paid in	3946	18
capital stock, increase of	3918	9
capital stock, proportion to be invested and in what	4005	26
securities	10	42
capital stock, reduction of	3951	20
capital stock, to be held as guarantee to depositors and	4006	26
invested how	3946	18
contingent fund	3956	21
conversion from national to state bank, see national		
banks.		
conversion from state to national bank, see state banks.		
deposits, in two names payable to whom.....Chapter 110	1	37
deposits, must be received and returned how	3950	20
deposits, not to be received when, penalty.....	4007	26
deposits, proportion of which must be invested in what	4008	27
securities	3951	20
deposits, regulations regarding must be posted where...	3950	20
deposits, to be kept separate when	4007	26
deposits, to be returned when	4007	26
deposits, what must be received and invested	3949	19
directors, liability upon failure to make report	4000	23
directors, majority vote necessary for what purpose.....	3948	19
directors, oath of office	3947	19
directors, qualifications of	3947	19
directors, shall not borrow from corporation or receive		
salary until when	3952	20
directors, term of office	3947	19
dissolution of, voluntary	4005	24
dividends, may be declared when	1	37
dividends, must report to state examiner after declaring	3998	23
extension of corporate existence	3907	29
false entries, penalty for making	4001	24
fees for state examiner's fund	215	28
fees, penalty for failure to pay	216	29
forged or raised checks, when not liable for paying.....		
Chapter 78	1	36
incorporation, number who may incorporate	3945	18
impairment of capital, duties of state examiner	4004	25
insolvency or impaired capital, see insolvent banks.		
liability of person, firm or corporation limited to what	4011	28
loans, how and to whom to be made	3951	20
loans, not to be made to any officer, director or servant		
of corporation	3952	20
married women may make deposits and draw dividends	3957	21
may be dissolved how	4003	24
may deposit cash where	3958	21
minors may make deposits and draw dividends	3957	21
misdemeanor to violate any law relating to banks when-		
ever penalty is not prescribed	4014	28
name shall not be adopted by any other corporation		
in state	3945	18
officers, directors may choose	3947	19
officers, liability of	3953	20
officer or employee of, overdrawn his account	8714	39
real estate, bank may purchase, hold or convey what ...	3954	20
real estate, how taxed	4013	28
reports	3955	21
reports, penalty for failure to make	4000	23
reports, penalty for making false reports	4001	24
report to be made after declaring dividend	3998	23
report to be made to state examiner	3996	23
reports to be published when	3996	23
reports to state examiner confidential	3999	23

	Sec.	Page.
reports, verified how	3996	23
reserve, amount required	4010	27
reserve bank, how approved	4010	27
stockholders, liability of	3953	20
stockholders, must elect directors	3947	19
stockholders must receive certificate of stock	3946	18
stockholders to participate in profits when	3946	18
surplus fund must be created	Chapter 112	1 37
taxes, property shall be taxed how	3956	21
title, unlawful to use unless incorporated, penalty.....	4013	28
trust funds deposited without notice of trust, payable to whom in case of death	3992	22
Secretary of State.		
fees of	165	5
fees must be collected in advance	165	6
fees when collected to be paid to state treasurer.....	165	6
must not charge state and county officers fees, when	165	6
State Auditor.		
duties of, relating to banks, transferred to state examiner	4009	27
State Bank. Change to National Bank.		
See also Banks of Discount and Deposit.		
articles of association on becoming a national bank.....	2	35
board of directors to be directors of new bank.....	2	35
capital stock may be increased or decreased	3	35
cashier to give notice of decision to change	1	35
certificate of change	4	36
charter, when deemed to be surrendered	2	35
corporate existence, continuation of	2	35
directors, to be directors of new corporation for what purpose	2	35
directors of new corporation, powers of	3	35
liabilities not released by change	2	35
new directors may be chosen	3	35
new stock, to whom may be awarded	3	35
property vests in new bank how	4	36
state bank examiner, notice to	1	35
stockholders, vote to become national bank	1	35
surplus, what to be done with	3	35
taxes imposed by state	2	35
State Bank Examiner.		
banks must report to, when	3996	23
duties, must examine foreign banking corporations.....	3998	23
duties of auditor relating to banks transferred to.....	3986	32
duties, when banking corporation is insolvent or capital impaired	4009	27
duties, upon dissolution of banking corporation	4004	25
fees of	4007	26
foreign banking corporations, must report when	4003	24
may approve reserve banks	215	28
must approve increase of capital stock	3980	31
must approve decrease of capital stock	3981	31
must report to county attorney, when	4010	27
must report to governor and attorney general, when....	4005	26
Trust Companies.	4006	26
See also Penal Code and Constitutional Provisions.	3995	22
articles of agreement, execution and filing	4004	25
articles of agreement, what must set forth		
articles of incorporation, void when	3936	13
books and records shall be open for inspection, when and by whom	3936	13
business of, extending or changing	3924	11
business of, must begin how soon	3940	16
capital stock, amount	3943	17
capital stock, assessment for payment of	3924	11
capital stock, calling in unpaid installments of.....	3924	11
capital stock, decrease of	3938	15
capital stock, increase of	3929	12
	3929	12
	3943	17
	3924	11
	3943	17
	10	42

	Sec.	Page.
capital stock, investment in securities	3930	12
capital stock, reduction of	4006	26
capital stock, sale of for non-payment of installments, after notice	3929	12
certificate of incorporation, shall be taken in courts as evidence of what	3936	13
change of business	3943	17
contracts, receipts and certificates, may execute	3928	12
conversion from national to state bank, see national banks.		
conversion from state to national bank, see state banks.		
deposits in two names, payable to whom.....Chapter 110	1	37
deposits, not to be received when, penalty	4007	26
deposits, to be kept separate when	4008	27
deposits, to be returned when	4007	26
deposits, when payable on demand	4007	26
directors, election of	3931	12
directors, election of may be adjourned	3926	11
directors, election of notice	3938	15
directors, liability upon failure to make report	3938	15
directors, liable when upon declaring dividend.....	4030	23
directors, loans to unlawful when, penalty	3939	16
directors, number of	3993	22
directors, qualifications of	3994	22
directors, quorum	3926	11
directors, shall render correct accounts to stockholders	3938	15
directors, term of office	3938	15
directors, term of office when more than five	3926	11
directors, vacancy in how filled	3926	11
dissolution of, voluntary	4003	24
dividends, may be declared when	3939	16
Chapter 112	1	37
dividends, must report to state examiner after declaring	3998	23
extension of corporate existence	3907	29
false oath or affirmation by clerk or officer, perjury....	3940	16
false entries, penalty for making	4001	24
fees for state examiner's fund	215	28
fees, penalty for failure to pay	216	29
forged or raised checks, when not liable for paying.....		
Chapter 78	1	36
impairment of capital, duties of state examiner	4004	25
insolvency or impaired capital, see insolvent banks.		
incorporators, first meeting, notice of	3925	11
incorporators, number	3923	11
liability of person, firm or corporation, limited to what	4011	28
loans, buildings upon which are made to be insured....	3932	12
loans, to managing officers and directors must be	3993	22
approved when, penalty for violation	3994	22
loans, to managing officers and directors unlawful when,	3993	22
penalty for violation	3994	22
may be dissolved how	4003	24
misdemeanor, to violate any law relating to banks, when- ever penalty is not prescribed	4014	28
name or title	3935	13
notice of meeting of stockholders to increase or decrease capital stock, etc.....	3943	17
penalty for failure to make reports	3996	23
powers enumerated	3927	11
purposes for which corporation may be formed	3937	14
real estate, amount company may own	3939	16
real estate, how taxed	4013	28
real estate, may acquire in settlement of debts.....	3928	12
real estate, what may purchase, lease, hold or convey	3928	12
receiver, application for when insolvent	4004	25
reports, penalty for failure to make	4000	23
reports, penalty for making false reports	4001	24
reports, to be made after declaring dividends	3998	23
reports, to be made to state examiner	3996	23
reports, to be published when	3996	23
reports, to state examiner confidential	3999	23
reports, verified how	3996	23
reserve, amount required	4010	27
reserve banks, how approved	4010	27

	Sec.	Page.
rights of corporation heretofore organized, how affected	3942	17
secretary of state, shall give certificate of incorporation		
setting forth what	3936	13
shares of stock, transferable how	3933	13
shares of stock, personal property	3933	13
state examiner, duties as to insolvent banks	4004	25
stockholders, executors, administrators, etc., not liable		
for corporate debts	3941	16
stockholders, executors, administrators, guardians, etc.,		
power to represent stock	3941	16
stockholders, liability for debts of corporation.....	3934	13
stockholders, liability of estates of deceased stockholders	3941	16
stockholders, persons pledging stock held as stockholders	3941	16
surplus fund, must be created.....Chapter 112	1	37
taxes, property shall be assessed how	3944	18
	4013	28
term of corporate existence	3936	13
title, unlawful to use unless incorporated	3992	22
trust funds deposited without notice of trust payable to		
whom in case of death.....Chapter 37	1	34

UNIVERSITY OF ILLINOIS-URBANA



3 0112 060757793